Statement

Year	Quantity (in tonnes)	Duty (Rs. in crores)
19%	297.768	655.09
1997	.527.858	1161.29
1998	627.358	1244.69

Nine-point action plan of RBI for financial system

57. SHRl SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank *of* India has suggested a nine-point action plan to form the basis of the financial systems of the future, including corporatising all statutory banks and financial institutions;

(b) if so, what are the details thereof; and

(c) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANAKING, REVENUE AND INSURANCE) (SHRl KADAMBUR M.R. JANARTHANAN): (a) and (b) Reserve Bank of India (RBI) has released a discussion paper in the light of Khan Committee Recommendations regarding harmonising the role and operations of development financial institutions and banks. This includes the architecture of the financial system for the future. The system envisaged is on the following lines:

(1) The approach to universal banking should be guided by international experience and domestic requirements. The process of enabling the provisions of diversified services both by banks and FIs, either in-house or through the subsidiary route as a conglomerate, should continue albeit in a gradual and orderly fashion, subject to appropriate regulation by the Reserve Bank.

(2) In terms of institutions, ultimately there should be only banks and restructured NBFCs.

(3) In the meantime, however, the special role of DFIs is recognised and transitional path is envisaged for them to become either a fullfledged NBFC or a bank.

(4) Since banks are special, any conglomerate, in which a bank is present, should be subject to a consolidated approach to supervision an regulation.

(5) A corporate form of organisation under the Companies Act is preferred to provide the financial intermediaries, necessary flexibility for mergers, acquisitions and diversification to meet the needs of the devolving situation.

(6) The supervisory functions are to be delinked from refinancing institutions and brought under a consistent supervisory framework.

(7)The ownership role should be transferred from the RBI to the Government of India in respect of financial intermediaries so that there is a focussed attention by the RBI on its supervisory-regulatory functions.

(8) The harmoniation in the working of various institutions should be at the initiative of the organisations themselves, with the RBI being available for guidance and consultation.

(9) Various officiency issues partaining to each organisation have to be addressed individually by the banks/OFIs and they are encouraged to deliberate among themselves and take necessary decisions urgently.

(c) The RBI had indicated that the above proposals are meant for detailed discussions/comments, by experts, banks/financial institutions, other market participants and the public in general. Necessary decisions will be taken by RBI in consultation with all concerned including the Government in the light of comments received by them.

विदेशी मुद्रा प्रवाह

58. **लाला लाजपत राय** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क)वर्ष 1998 में अब तक अअनुमोदित विदेशी वित्तीय सहायता और निवेश का अद्यतन ब्यौरा क्या हैं;

(ख)उक्त अवधि में वास्तव में देश में कितनी विदेशी मुद्रा प्राप्त की गई ;

(ग)विदेशी निवेश संवर्धन बोर्ड को ऐसे कम मामलों की स्वीकृति की सलाह देने के लिए कौन-कौन से कदम उठाये गये/उठाये जा रहे हैं तथा साथ ही उक्त अवधि में